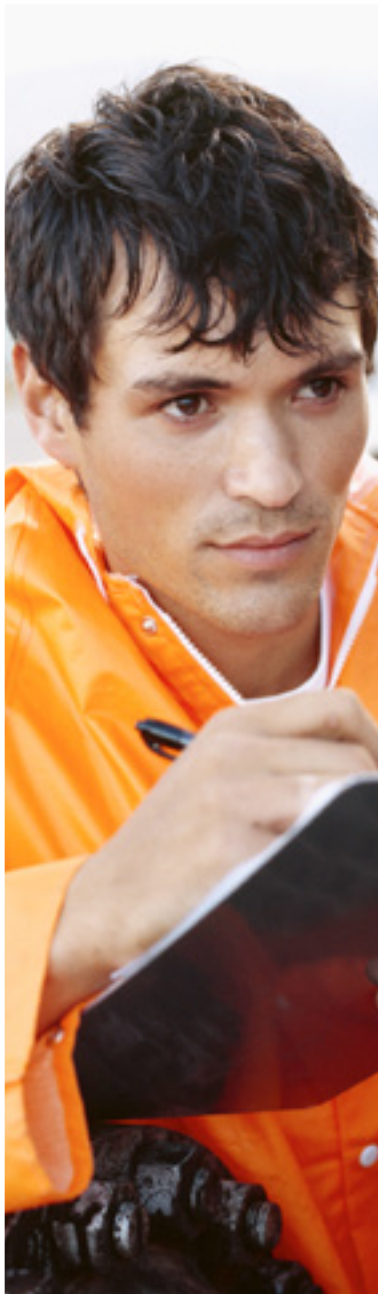


M I N N E S O T A

State Rehabilitation Council — General

2015 Annual Report ■ October 1, 2014 — September 30, 2015



Welcome to the State Rehabilitation Council — General 2015 Annual Report



Welcome to the State
Rehabilitation Council —
General's 2015 Annual
Report on Minnesota's Vocational
Rehabilitation (VR) program.

The State Rehabilitation Council (SRC) is appointed by the governor to partner and advise Minnesota's Vocational Rehabilitation Program. Each year we report to the governor and the people of Minnesota on Vocational Rehabilitation's annual performance. I think you will find our report worth examining.

It has been an interesting year. VR and the SRC examined the far-reaching implications of the new federal law, the Workforce Innovation and Opportunity Act, and its impact on how VR does its job. Additionally, Minnesota's Olmstead Plan is challenging its citizens to think about the meaning of true inclusion for people with disabilities. How these forces impact Vocational Rehabilitation is still unfolding.

A handwritten signature in black ink, appearing to read "Charles G. Ryan".

Charles G. Ryan
Chair, State Rehabilitation Council

CONVERSATION AT AN SRC FORUM

Pitney Bowes Creates an Innovative Approach to Recruiting and Hiring People with Disabilities



ALEX CULLEN

Alex Cullen grinned and pumped his fist in the air. “I aced it,” he said.

What he “aced” was four weeks of skills training and evaluation offered by global technology company Pitney Bowes in an innovative approach to recruiting and hiring people with disabilities at its mail sorting facility in Fridley.

“It’s been phenomenally successful for us,” said Matt Lagerquist, a manager at Pitney Bowes. “And the thing is, we didn’t set out to do this. It just became the way we do business.” The idea was to interview everyone who applied for work, because often people with disabilities never got past an initial screening.

The company offers skills training and evaluation that examine a potential employee’s attendance, attitude, attention to quality and detail. It’s a paid trial evaluation for potential employees. And it works.

Alex, who is 23, has attention deficit hyperactivity disorder (ADHD) and a learning disability. He is among 78 people with disabilities over the past four years who completed the training, nearly half of whom — 31 people — were hired by Pitney Bowes. Amanda Belair, who is 22 and also has ADHD, and Terese O’Reskie, 54 and hard-of-hearing, are among the dozens who have participated in the program.

The company trains, evaluates, and hires people like Alex, Amanda, and Terese. The model works because of a unique partnership with Vocational Rehabilitation employment specialists and community rehabilitation providers. Michelle Chmielewski, a VR placement coordinator in Brooklyn Park, was instrumental in helping to develop and coordinate the training and evaluation program. Other VR staff also play a key role in identifying job candidates and preparing them to apply for work.

The partnership started in response to the large number of requests for interviews Pitney Bowes received from Vocational Rehabilitation and community rehabilitation program staff. “We were being inundated,” Lagerquist said.

The solution was to designate someone as the “single point of contact” for Pitney Bowes. The company found that it was much more efficient to talk with one person than with several. Lagerquist said, “it ended up opening up a whole new pool of qualified candidates to grab from.”

The model has been so successful that Lagerquist and others at Pitney Bowes are in demand as speakers and consultants to show other companies how this model could be replicated elsewhere. “Why wouldn’t it be?” he asked. “There’s no downside.”



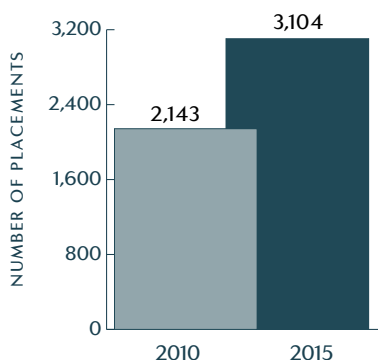
AMANDA BELAIR



TERESE O'RESKIE

Spotlight on the successful placement partnership model

In 2011, in the aftermath of the Great Recession, VRS and employment service providers in the Twin Cities formed their first placement partnership. The goal was to make business engagement more efficient for both employers and providers, and to increase the number of VR consumers placed into employment.



The experiment was a success. Over the next five years, the placement partnership model grew to a total of 15 across the state of Minnesota (see map). And the model worked. Placement rates increased significantly (see bar chart).

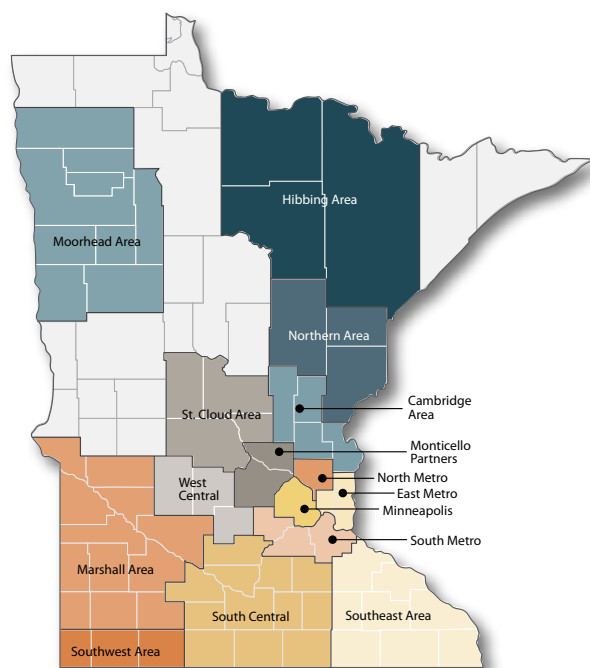
But the labor market has shifted. In 2011 there was high unemployment and a scarcity of jobs. Now Minnesota's unemployment rate is at historic lows and job creation is accelerating. As a result, the placement partnership model is evolving to assist in matching VR consumers with job opportunities and to meet the changing needs of employers.

Here's what Chase Foreman of Marsden Building Maintenance had to say about his experience with the placement partnerships:

"I've been able to make connections with the vocational rehab community which has made recruiting and hiring 100 percent easier for me. They'd have to pay me to give up these relationships. I am just one recruiter but from a sheer statistical standpoint when I connect with the metro placement partnership organizations my outreach activity gets multiplied many times over. I end up having all these people actually recruiting for me. This puts our company in the right position and sets us up for success. That's of huge value."

VR's employment specialists are a key component of the placement partnership. They offer employers strategies to recruit and retain skilled workers with disabilities. Employers can tap into the following services free of charge:

- Recruitment
- Education and training to create a disability-inclusive work environment
- Accessibility and accommodation technical assistance
- Resources to answer complex disability employment questions
- Follow-along and/or job coaching for new hires referred by VR
- Information on financial incentives for hiring people with disabilities



At the close of 2015 there were 15 placement partnerships across Minnesota.



BRANDI BRENDMOEN

Brandi Brendmoen — First Deaf Employee at Vista Prairie Communities

When Brandi Brendmoen started looking for her first full-time professional job, she applied for close to 100 positions and landed just five interviews.

She had earned a bachelor's degree in accounting from Metro State University. Vocational Rehabilitation provided financial assistance for tuition and tools such as a laptop computer. And when Brandi started her job hunt, VR connected her with J.M. Davis Consulting Group, a job coaching and placement organization.

"Vocational Rehabilitation and J.M. Davis were a huge help to me in finding a job," said Brandi, 27. "They gave me ideas on where to look, helped me fix up my resume and cover letter, and gave me practice with job interview questions."

All that work paid off when, in mid-August, Brandi got a job as an accounts payable administrator at Vista Prairie Communities, a non-profit senior housing and health care services provider.

"I'm the first deaf person they've hired," said Brandi. "It was a bit of a learning curve for them." For instance, because Brandi is adept at lip reading, colleagues sometimes assumed she could lip read everything they said. They also weren't always sure about the best way to get her attention without startling her.

That's no longer the case, since Diane Currie Richardson, an occupational communication specialist with VR, conducted a two-hour "deaf awareness" training session for staff at Vista Prairie in mid-October. "Job training and educating co-workers about working and communicating with a deaf employee are key if we want people to be successful in their job hunt and perform optimally on the job."

"[The training] was fabulous," said Deb Steinke, vice president and chief financial officer at Vista Prairie. "It gave me a new appreciation for things Brandi deals with on a daily basis."

Diane was impressed by the high level of engagement of Vista Prairie's staff. "You could feel the vibes in the room. Everyone was so enthusiastic." And that enthusiasm didn't end with the training session. Brandi's supervisor and some of her colleagues have been learning sign language.

VR provides an interpreter for job interviews and can provide an interpreter on site for up to the first 90 days after someone starts a new job. Also available are videophones that enable a deaf employee to talk on the phone with colleagues and customers using a sign language interpreter video relay service. The equipment and service are paid for through a fund administered by the Federal Communications Commission; the employer covers the cost of the phone line or internet connection.

"I enjoy working here," said Brandi. "The company is very open to what I need and what they need to work with me."



TODD HALLADA

Hallada brothers launch successful business startup with VR assistance

Sports collectibles generate billions of dollars in sales, and the Hallada brothers of Brooklyn Park are looking to claim a significant slice of the market. From their modest home in Brooklyn Park, the two brothers have built an ambitious enterprise called 2Bros Sports Collectibles, LLC that bills itself as “The go-to place for modern and vintage sports cards and collectibles.”

At 28, Todd is the business visionary and primary spokesman, fulfilling a dream that goes back to his first sports card enterprise, started at home at age 16. His brother Thomas, 30, is the quiet, practical, detail-oriented one who manages logistics. The brothers complement each other well, and together they’re well on the way to being big players in the world of sports collectibles.

Neither of them has ever played sports. But they are big-time sports fans, with season tickets to Minnesota’s major sports teams: Twins baseball, Timberwolves basketball, Vikings and Gophers football. For these “two bros” sports is a passion. But not just a passion. For a couple of guys whose entire lives would appear to be subject to some fairly significant limitations, sports represents a business opportunity with virtually no limits.

“It blows your mind when you think about the opportunity,” Todd said.

Thomas and Todd were born with spinal muscular atrophy, a genetic disease affecting the part of the nervous system that controls voluntary muscle movement, and neuromuscular scoliosis, an irregular spinal curvature caused by disorders of the brain, spinal cord, and muscular system. The Halladas spent a lot of time in and out of hospitals when they were young, but received an excellent education at home from their parents, both of whom were teachers. Beginning in 2003, both received a variety of services from Vocational Rehabilitation counselors in North Minneapolis.

“They were dream clients,” said Moureen Grunewald, the counselor who worked most with the Halladas. It was clear, she said, that Thomas and Todd were extremely smart, well-



THOMAS HALLADA

2Bros Sports Collectibles is a Huge Success

educated, determined to attend college, and highly motivated. Most of the assistance provided by the VR program went to pay a portion of their educational costs.

Todd attended the University of Minnesota's Carlson School of Management and earned a triple major in operations, supply chain, and entrepreneurial management. He started a career as a planner at Land O'Lakes. Thomas earned his bachelor's degree in management information systems from Metropolitan State University. After graduation, he received VR assistance in his job search and placement services. Numerous hospitalizations, however, made it clear that a better option for him might be a small home-based business.

That's when the brothers thought seriously about reviving the old dream of a sports collectible business — the one Todd had set aside when he started his career. The brothers consulted with Ed Clayton, the VR small business development specialist, and wrote a business plan that passed muster with a lender.

Writing the business plan convinced the Halladas that their idea could work, and a modest business start-up grant from VR made it possible to buy equipment. "That's what got us over the hump," Todd said. "That's what really got the business kick-started."

They started the business in February 2014, with Thomas pretty much carrying the workload. By early 2015, 2Bros Sports Collectibles was well-established enough that Todd decided he could leave Land O'Lakes and devote his full efforts to growing the company. The brothers say they're working 60-80 hours a week, moving \$30,000 worth of collectibles every month. They've hired three full-time employees and some part-time workers, as well.

Their business continues to grow phenomenally fast, and the brothers will soon need to expand beyond their Brooklyn Park home, the first floor of which is overflowing with their huge and growing inventory. Their next move? Open up a retail operation in a high-traffic area of the Twin Cities and become the number one destination for sports memorabilia.



TODD AND THOMAS HALLADA WITH THEIR VR COUNSELOR, MOUREEN GRUNEWALD

Vocational Rehabilitation Outcomes



Who VR Serves

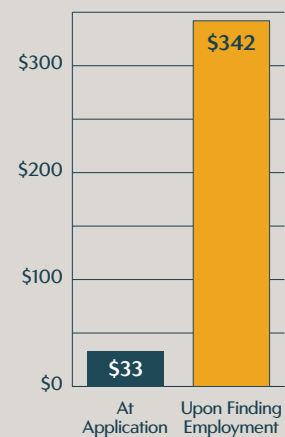
- 17,979 people received services from VR in FFY 2015, down 480 people from 2014. Of those who received services, 5,430 were new participants.
- 35 percent of all VR participants report a serious mental illness.
- 42 percent of those receiving service in 2015 were under the age of 24.
- At application, 34 percent of VR participants were receiving Supplemental Security Income, Social Security Disability Insurance or a combination of both.
- Although Vocational Rehabilitation continues to serve those with the most significant work barriers, there is a growing wait list. By the end of September 2015, 489 people were on a wait list for VR services.

VR Outcomes

- This year, 3,104 Vocational Rehabilitation participants obtained employment, up 235 from 2014.
- All VR participants are placed in integrated and competitive jobs. The average hourly wage for participants without long-term supports is \$11.98, up from last year's \$11.46.
- 27.5 percent of those finding employment utilized ongoing supports, up from 25 percent in 2014 and 20 percent in 2013. For those with ongoing supports, the average wage is \$9.97, up from \$9.42 in 2014.

Return on Investment

- This year, 3,104 people found work through VR. Upon finding employment, the average wage was \$342 a week compared to just \$33 a week when they applied for services.



- Individuals employed after receiving VR services earned a combined total of \$1,062,000 per week.

Placements by Type of Employment 2015

	2013	2014	2015	Percent of 2015 Placements	Wage	Weekly Earnings
Competitive Employment	2,183	2,125	2,231	72%	\$11.91	\$367
Self-employment	16	44	21	1.0%	\$19.24	\$365
Competitive Employment With Job Supports	539	700	852	27.0%	\$9.97	\$258
Total	2,738	2,869	3,104	100%		

VR Participants by Cultural/Ethnic Groups 2015

Percent of MN Population, ages 16-24 ¹	Cultural/Ethnic Group	Percent of VR Participants	Percent Obtaining Employment
5.4%	Black or African American	12.8%	11.6%
4.8%	Hispanic/Latino ²	4.0%	3.4%
1.0%	American Indian	2.5%	1.2%
4.8%	Asian	2.4%	2.4%
0.0%	Pacific Islander	0.5%	0.5%

¹Source: U.S. Census Bureau 2013

²Duplicate Count

The VR Caseload: Major Categories of Disability

Primary Disability Group	2015	2015	2015
	Participants	Percent of Participants	Percent of Total Placements
Serious Mental Illness	6,292	35%	35%
Learning Disability	3,414	19%	20%
Autism Spectrum Disorder	2,020	11%	11%
Developmental Cognitive Disabilities	1,384	8%	10%
Orthopedic/ Neurological Impairments	774	4%	4%
Deaf/Hearing Loss	739	4%	4%
Traumatic Brain Injury/Stroke	640	4%	3%
Cerebral Palsy	278	2%	1%
Arthritis & Rheumatism	214	1%	1%
Chemical Dependency	188	1%	1%
Epilepsy	128	1%	1%
Spinal Cord Injury	126	1%	1%

Job Placements by Broad Category¹

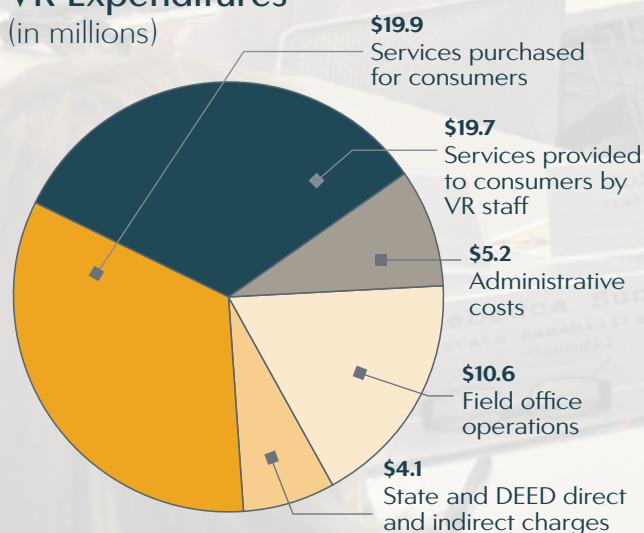
Occupation	Number of Consumers	Average Hourly Wage	Average Hours per Week	Average Weekly Wage
Clerical/Sales	1,005	\$10.16	27	\$284
Healthcare: support and service	303	\$10.98	28	\$307
Industrial Trades	391	\$12.54	36	\$461
Misc. Occupations	242	\$11.48	32	\$378
Professional/Technical/Managerial	378	\$17.91	32	\$592
Service	785	\$9.52	25	\$239
Total	3,104	\$11.43	29	\$342

¹All VR placements are competitive and integrated

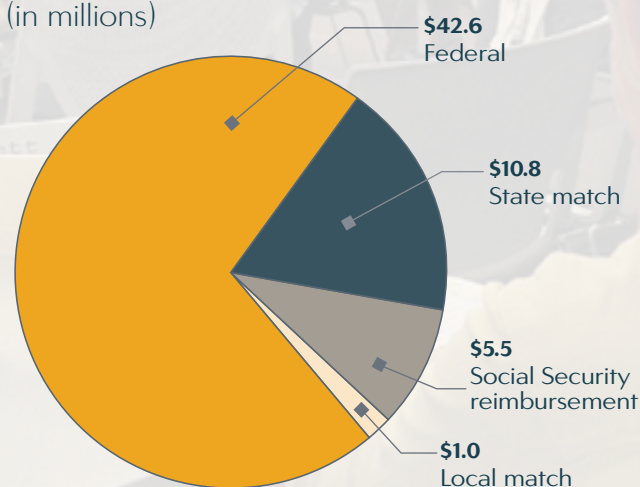
Top Six 2015 Vocational Rehabilitation Referral Sources

Referral Source	Percentage
Educational Institutions	37%
Self Referral	22%
WorkForce Centers	6%
Community Rehabilitation Program	6%
Mental Health Program	6%
State or Local Government	4%

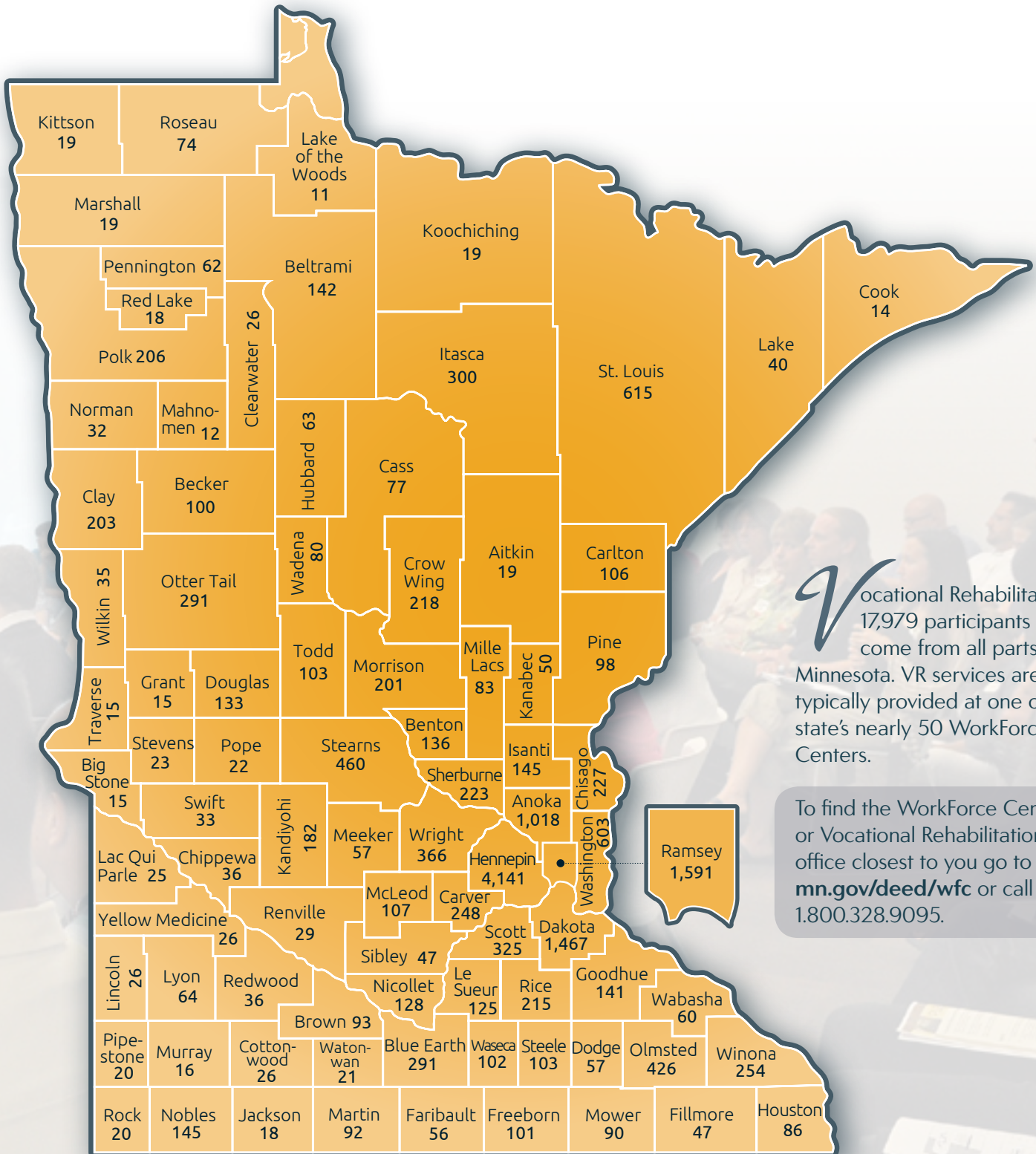
VR Expenditures (in millions)



VR Funding Sources (in millions)



Vocational Rehabilitation Participation by County



Vocational Rehabilitation's 17,979 participants come from all parts of Minnesota. VR services are typically provided at one of the state's nearly 50 WorkForce Centers.

To find the WorkForce Center or Vocational Rehabilitation office closest to you go to mn.gov/deed/wfc or call 1.800.328.9095.

Out of State 69 State Total 17,979



The Challenges of Employment for People with Disabilities in Rural Minnesota

*A*t the May forum in Marshall, the SRC learned about disability employment needs in southwest Minnesota from the public, representatives of regional service organizations and Vocational Rehabilitation staff.

A job is more than just a paycheck, said one panelist. It's a key to being involved in your local community. It's also important for the region's economic development.

Employment challenges that southwest Minnesota's people with disabilities face probably sound familiar. Panelists said long commutes, few public transit options, and a lack of affordable housing are all challenges for getting and keeping a job.

"Transportation continues to be a huge barrier," said Paulette Liestman, a Vocational Rehabilitation job developer.

Vocational Rehabilitation counselor Jan Holien said skills training, job search help and access to assistive technologies are frequently requested services in the region. Services to help high school students with disabilities transition into the working world are also needed, and existing programs and service providers often are stretched thin or isolated.

Collaboration among county and regional service providers might also be one way to help cope with gaps in services, forum participants said.

Better communication and outreach to small businesses could help both employers and job-seekers with disabilities, forum participants said. Liestman said not all employers are aware of what support services or incentives might be available to them if they hire people with disabilities. Organizations like VR can help educate employers, she said. "Having that connection is one of the most important things that VR can offer."

Panelists said accommodations aren't all necessarily physical ones. Having on-the job training, flexible work hours or work-from-home options can be the key to helping a person with a disability succeed in their job.

*Article excerpted from May 28 Marshall Independent
Photographs and article by Deb Gau*



Coordination Between the Schools and Vocational Rehabilitation

The Workforce Innovation and Opportunity Act (WIOA), the federal law authorized in July of 2014, will have a far-reaching effect on the work of Vocational Rehabilitation. Nowhere is the impact felt more than in services to transition-age students. To ensure that students with disabilities engage in career preparation opportunities, WIOA requires:

- More career exploration opportunities, beginning at a younger age, for students with disabilities;
- Increased partnership between VR and the schools; and
- At least 15 percent of VR's federal appropriation must be used for pre-employment transition services for students in high school.

To learn more about these major changes, and to hear from those who will be implementing them, the SRC, in collaboration with the Minnesota Department of Education, sponsored the forum *Coordination Between the Schools and Vocational Rehabilitation*.

A panel of experts from Minnesota Department of Education and Vocational Rehabilitation discussed the five required activities of pre-employment

transition services and the supports necessary for successful implementation of interagency coordination. (Go to mn.gov/deed/src for the PowerPoint). Attendees then broke into school district teams and used case studies to plan collaborative pre-employment transition services for students.

The forum proved to be pertinent and timely, with more than 300 people attending, either in person or in small groups across Minnesota, linked in via live internet streaming. Here are some of the comments of attendees:

- During our small group work there was a great discussion between VR, school staff and a community rehabilitation provider. We had multiple schools represented in our group which was an opportunity we typically do not have.
- The case study dialogue was very helpful with school staff and VR present and sharing ideas.
- The best message was for the encouragement for networking and the importance of building relationships
- The off-site locations were a good option for Greater Minnesota and worked well. Great venue to get to lots of people without excessive driving.



ATTENDEES AT THE FORUM ON TRANSITION-AGE STUDENTS

Annual reports tend toward the past tense, mostly offering a rear-view scan of the past year. But 2015 also presented compelling reasons to look ahead to an uncertain future.

In December, Nick Wilkie, chair of the State Rehabilitation Council's annual report committee, had a conversation with Kim Peck, director of Vocational Rehabilitation. Their interview focused on the near-term future of Minnesota's VR program in a time of profound and rapid change. This article is a distillation of that interview.



NICK WILKIE —
SRC Annual Report Chair



KIM PECK —
Vocational Rehabilitation Director

The Near Horizon: Challenges and opportunities for the VR program

A shifting legal and policy landscape, the fiscal realities of flat funding and growing service obligations, and the rapidly evolving nature of workplace demands are coming together to present the VR program with a hazy vista.

"On the near horizon, we're seeing great opportunities," Peck said, "but we're also facing immense challenges."

The Workforce Innovation and Opportunity Act (WIOA) created significant new responsibilities for the public VR program. Minnesota's Olmstead Plan for achieving fuller integration for people with disabilities requires greater effectiveness at achieving competitive integrated employment. Together, WIOA and Olmstead increased the fiscal pressures on the VR program. And as unemployment rates plummeted, and job creation accelerated, employers found themselves scrambling to fill positions.

The federal legislation dramatically increases VR's role and responsibility in providing services to transition-age students. Among other things, WIOA requires VR to set aside at least 15 percent of its federal allocation to provide pre-employment transition services to students with disabilities who are 14 or older.

"We have to acknowledge that increasing our commitment to transition-age students will likely hinder our ability to serve adults," Peck said. "This is a polarity that has to be managed, and absent additional financial resources there are significant questions about

VR's capacity to fulfill all of its obligations under the new federal legislation."

WIOA also requires the VR program to take on a "gatekeeper" role that ensures that students and adults with disabilities are fully informed about opportunities for competitive integrated employment before and after accepting subminimum wage jobs. That will require the creation of new infrastructure to identify and reach out to the roughly 8,800 adults currently working in subminimum wage jobs, putting still greater pressure on VR's fiscal resources.

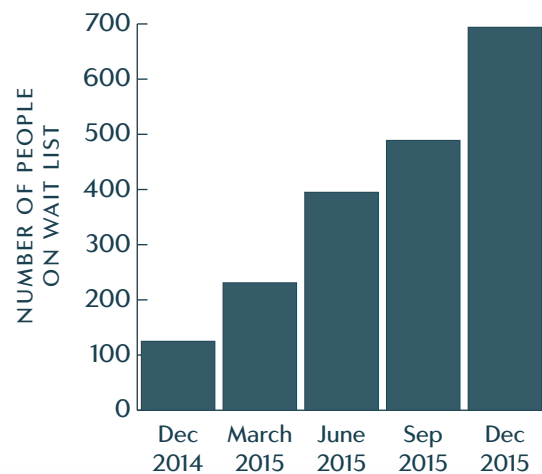
Because of long-term flat funding, rising costs, and increased demand for services, the VR program has been forced to close three of four service categories and, by the end of 2015, to place nearly 700 individuals with disabilities on indefinite waiting lists. It's possible, Peck said, that sometime in the coming year the VR program will reach full capacity and be forced to close all four service categories.

"The fact is, if we try to do all that's required by the federal legislation and the state's Olmstead Plan, we'll likely have to close all categories," Peck said. "How do we find our way through the thicket of competing interests? We'll get through it — but we don't yet know what it will mean for the public VR program."

In the short term, it will be more important than ever for the State Rehabilitation Council to stay vigilant and fully engaged in its advisory role.

"It's important," Peck said, "for the council to step up and come together as a group to voice its perspective and articulate a position as these large system changes begin to take effect. Now more than ever, the council can't be complacent."

Wait List for VR Services Grows



HOW DO WE FIND OUR WAY THROUGH THE THICKET OF COMPETING INTERESTS?

WE'LL GET THROUGH IT — BUT WE DON'T YET KNOW WHAT IT WILL MEAN FOR THE PUBLIC VR PROGRAM. IT WILL BE MORE IMPORTANT THAN EVER FOR THE STATE REHABILITATION COUNCIL TO STAY VIGILANT AND FULLY ENGAGED IN ITS ADVISORY ROLE.

The State Rehabilitation Council Seeks Public Input

The State Rehabilitation Council is an active and engaged council. We partner with the Vocational Rehabilitation program to conduct strategic planning and shape VR priorities. We work with the Vocational Rehabilitation program to conduct needs assessments, customer satisfaction surveys and host public forums. We are charged with writing this annual report.

The SRC is a method for the agency to obtain citizens' input from employers, advocates, VR participants and other stakeholders. All SRC meetings are open to the public. We set aside time at every meeting for public comment, hold at least one meeting per year in Greater Minnesota and encourage comment at our forums.

For more information, go to mn.gov/deed/src or contact Gail Lundeen at 651.259.7364.

State Rehabilitation Council Members

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The Department of Employment and Economic Development is an equal opportunity employer and service provider.

Upon request, this information can be made available in alternate formats for individuals with disabilities by calling 651.259.7364 or emailing Gail.Lundeen@state.mn.us.